NHS
Lancashire and South Cumbria
Integrated Care Board

Approved 17 July 2025

Minutes of the ICB Finance and Contracting Committee Held on Tuesday 17 June 2025, 10 am by MS Teams

Members		
Steve Igoe	Chair/Non-Executive Member	L&SC ICB
Debbie Corcoran	Non-Executive Member	L&SC ICB
Jim Birrell (up to item 46)	Non-Executive Member	L&SC ICB
Stephen Downs	Acting Chief Finance Officer	L&SC ICB
Andy Knox	Medical Director (Estates and net Zero)	L&SC ICB
Craig Harris	Chief Operating Officer/Chief Commissioner	L&SC ICB
Sarah O'Brien	Chief Nursing Officer	L&SC ICB
Asim Patel	Chief Digital Officer	L&SC ICB
Regular Participants		
Alistair Rose	Director of Strategic Estates, Infrastructure and Sustainability	L&SC ICB
Elaine Collier	Deputy Director Operational Finance	L&SC ICB
Peter Tinson	Director of Primary Care	L&SC ICB
Attendees		
Gareth Jones	Deputy Director of Strategic Finance	L&SC ICB
Sarah Mattocks (for Debra Atkinson)	Head of Governance	L&SC ICB
Nancy Park (from item 43b to item 45)	All Age Continuing Care Turnaround Director	PricewaterhouseCoopers LLP (PwC)
Alex Wells (from item 47 to item 49)	Head of Recovery and Transformation PMO	L&SC ICB
Sandra Lishman	Committee and Governance Officer	L&SC ICB

No	Item	Action
40 25/26	**Welcome, introductions and Chair's remarks** The Chair welcomed everyone to the meeting including Sarah Mattocks, ICB Head of Governance, who had joined in place of Debra Atkinson. Members noted that Nancy Park, All Age Continuing Care Turnaround Director, would join to present the All Age Continuing Care update, and Alex Wells, Head of Recovery and Transformation PMO, would join to support the Verto dashboard demonstration.	
41 25/26	**Apologies for absence/Quoracy of meeting** Apologies had been received from Debra Atkinson and Neil Greaves. Members were made aware that J Birrell would leave the meeting at 10.45 am. The meeting was quorate.	
42 25/26	**Declarations of Interest** **(a) Finance and Performance Committee Register of Interests –** Noted. **RESOLVED: That other than the above declarations, there were no further declarations of interest raised. Should any other conflicts arise during the meeting, the Chair should be advised accordingly.**	

43 25/26	**(a) <u>Minutes of the meeting held on 20 May 2025 and matters arising</u>** **RESOLVED: That the committee approve the minutes as a true and accurate record of the meeting held on 20 May 2025.** **(b) <u>Action log</u>** **Ref 4 – AACC Conflicts of Interest –** D Atkinson and A Patel were due to meet to discuss triangulation of FTSU reports on this issue. Due date amended to July 2025. **Ref 5 – AACC: Approval of cases greater than £310k –** Meeting had taken place to review the Scheme of Reservation and Delegation (SoRD) and it was confirmed that the SoRD is clear that the required update to the committee is for information and not approval. No change to the SoRD is required and future reports to the committee would be clear that they are for information. Agreed to close. **Ref 6 – Detailed update and visibility on all cost reduction plans –** To be included as part of All Age Continuing Care regular reporting. Agreed to close. **Ref 7 – Acute contracts –** Included as part of the monthly finance report. Agreed to close. **Ref 8 – Contracts –** To be discussed as an item on today's meeting agenda. Agreed to close. **Ref 9 – Business Plan – winter planning –** National ask for winter planning awaited. **Ref 10 – System finance reporting –** It was confirmed that detailed allocations would be included in future monthly committee reporting, however, a 'flash' report had been provided for today's meeting due to the timing of the month-end closure process. Further discussion would take place as part of the finance agenda item at today's meeting. It was confirmed that timings of committee meetings were being reviewed to enable the committee to receive the most up to date and detailed information in a timely manner, aligning with the ICB Board meetings. ***Nancy Park joined the meeting.*** **Ref 11 – Deficit support funding –** Members noted that NHS England had recently shared how they would consider eligibility of deficit support funding, which included the development of the CIP programme, run rates, whole time equivalents, contracts being signed, etc. Qualification for quarter 2 would be reviewed by the end of June 2025. It was explained that if quarter 2 eligibility had not been met, this could retrospectively be retrieved if quarter 3 criteria was met. All organisations within the system must qualify as part of eligibility. In response to concern raised around whether the system was likely to meet the criteria , S Downs reported that although there was risk, reports to the Improvement Assurance Groups showed normalised run rates on an improving trajectory at the end of 2024/25, continuing into 2025/26. A reduction in head count had also been seen and the maturity of the efficiency programme had moved over the last four weeks. **Ref 12 – Digital and Data Strategy update** - Not yet due. **Ref 11C to C – Transfer of specialist learning disability service to a new**	

	provider – Members acknowledged that financial estimates were not yet available. **Ref 14C to C – All age continuing care (AACC) QIPP schemes –** It was acknowledged that recovery was on track and the committee would receive a position update as an agenda item at today's meeting. Updates and discussion had also been held at the recent ICB Board and Improvement and Assurance Group meetings. Agreed to close.	
44 25/26	**<u>All Age Continuing Care (AACC) update</u>** A previously circulated meeting report provided an update on the progress of the AACC turnaround programme, associated Waste Reduction Programme (WRP), operational metrics and key risks. N Park reported the following key highlights: - A lot of progress had been made since the last update to the committee and turnaround delivery was well mobilised - In line with wider ICB governance, an AACC Turnaround Board had been established. The meeting report showed the Turnaround Board's accountability and how this linked with the turnaround plan and structure - The turnaround plan had been drafted - The operational AACC dashboard was now in use, and this was described in the meeting paper appendix - Sustained reduction was seen in open packages and total costs - Net caseload and cost reduction continued to improve, indicating a grip on the volume of packages and reviews being undertaken - Improvement had been seen in operational grip - High cost, fast track packages and eligibility rates were reducing - Good progress had been made on the WRP. The gap to target was £13.7m (not risk adjusted). There was continued focus on moving pipleline schemes to 'fully developed' and validating financial assumptions for the pre-pipeline - The WRP now had £31.1m fully developed schemes, £9.5m in implementation and £7.5 in 'plans in progress' pending validation of financial assumptions and QIA approval. The gap to target was £3.8m. Stretch areas continued to be sought - Risks remained around delivery of the £62m stretch target. Members were reminded of the importance to measure both run rate reduction in AACC, as well as the WRP delivery and the metrics shown in the meeting report provided an indication of direction, highlighting extensions that need to be taken to address potential issues going forward. S Downs highlighted that although deterioration had been seen in the 28-day assessment, AACC was not an outlier in quality and the Quality and Outcomes Committee would receive regular reporting. Consideration would be made around the succession plan in relation to current support being received from Liaison, PwC and MIAA, as this would not be sustainable going forward. Members discussion included: - The team were praised for the progress made to date - It would be useful for future reports to explain dashboard numbers - The integration action plan is to be presented to the ICB Board at its July meeting; the committee requested sight of the plan prior to this. The plan should include PwC ideas and MIAA recommendations, with many to be completed by the end of June 2025 - It would be useful to have sight of full costs on AACC metrics - Concern was raised that £39.5m target around AACC was highlighted as a risk	**NP**

in the WRP report to this committee, which was not correlated in the AACC meeting report
- It was questioned whether the 47.2% drop in the continuing healthcare eligibility rate was sustainable
- Assurance was requested around the reliability of Adam.

N Park confirmed that although schemes had been identified, there was risk around delivery and the figures reported in both this and the WRP report reconciled. Going forward, reports would be triangulated, describing how risks were being managed and actioned. Monitoring was taking place, utilising the dashboard. It was acknowledged that a dashboard summary sheet would be helpful to the committee, including costs that had not been shown in today's report, ie, staffing costs. As the Adam system contract was due to end its term in the next few months, the ICB were looking at whether to continue with the service, updating its functionality or to explore other systems. Issues with the Adam system were known and teams were receiving training to support.

S O'Brien reported that focus was on delivering the full £58m savings, however, the team would continue to look at further stretch to reach the target of £62m. Concern regarding capacity in teams was highlighted. It was flagged at today's Incident Management Team meeting that savings would need to be considered wider than AACC.

It was explained that the AACC external support had been sought due to capacity issues, adding robustness around the Turnaround Board. A sustainable model was being worked on and it was not expected that external support would be required in 2025/26; consideration would be made in the near future as to the added value external teams were making. Rapid improvement had been seen in quality, and improvement was expected to be seen in other areas over time, ie, the drop in eligibility would be seen in quarter 4. It was confirmed that from a quality perspective, national targets had not slipped. S O'Brien continued that the external support had brought in rigor around reporting, which had been invaluable.

The committee were asked to note that from a quality perspective, there had been a number of correspondences with NHS England regional team around AACC processes and ensuring disputes were being tackled in a standardised way. S O'Brien added that an MP had been in contact via Freedom of Information and Freedom to Speak Up requests regarding the use of external partners, and suggested that these be reported to the committee in future to ensure the whole view is received.

In response to a query around whether the month 1 variable and actual budget should be equivalent, S Downs explained that the NHS England ledger is not opened to allow the ICB to upload budgets for month 1, with month 2 being similar. It was confirmed that a difference would be seen later in the year.

The Chair reflected that it is key to meet the organisational target; if AACC savings did not reach the expectation, savings would need to be made elsewhere. Close monitoring would need to be made on savings, with conversations and mitigations via the Incident Management Team. Thanks were expressed to N Park for providing and delivering the update – positive details were seen regarding run rates and outcomes, and further cost savings were seen.

N Park left the meeting.

RESOLVED: That the Finance and Contracting Committee note the content of the report.

	Post meeting update/correction: Advice received from the AACC turnaround director was that the mechanism for providing an update would be through the next Audit Committee and also to the July Finance and Contracting Committee.	
45 25/26	**<u>Waste Reduction Programme (WRP) update</u>** S Downs spoke to a previously circulated meeting report and slide pack. A summary position slide showed £106m unidentified WRP within commissioning areas, with a further £44.57m of mitigations, highlighting that these were not QIPPs. Teams would continue to look for more opportunities and Trusts were encouraged to identify further savings to minimise the use of mitigations, ensuring by year end all savings were recurrent. The priority was to deliver QIPP already identified. It was explained that full year impact benefit would be seen for any decision taken around commissioning, primary care or community that takes effect before 31 March; in-year impact would start to reduce full year impact. Opportunities with providers were being looked at around prescribing, including how to reduce the high cost drugs, pass through expenditure with providers and moving towards biosimilars, etc. It was noted that this might not be a cost avoidance, however, may prevent contracts over performing. Members were made aware that given the uncertainty over the national timetable around when changes would need to take place and availability of redundancy funding, this would likely be a full year impact if it took place at the end of the year; further mitigations would be looked at to cover this. Discussion was expected to be held at the next executive team meeting around carrying money forward for different areas of work, ie, digital, HR, which may need to be revisited. It was noted that there may be opportunity to mitigate parts of this. The committee would be able to see progression given the alignment between the Incident Management Team (IMT) and committee reporting. For committee understanding, S Downs explained in-year benefits as opposed to full year effect. If £142m full year impact efficiency is delivered, the exit run rate at the end of this financial year would be no worse that at the start of the financial year. If the in-year impact is not similar, mitigations would have to be used to balance the position. ***J Birrell left the meeting.*** In response to a member's concern around understanding rag ratings and assurance when something was shown to be a medium or high risk, S Downs explained that at the time of writing the meeting report, month 2 data had not been received around continuing healthcare; QIPP and finance reporting would be aligned for month 3 reporting. The ICB had made a decision to apply uplift lower than national planning guidance and this would be difficult to reach. Rag rating risks could be due to a process or delivery, with some due to association. To provide clarity, rag ratings would be defined at the next committee meeting. S O'Brien highlighted that rigorous processes were in place for work undertaken as a system. Members were assured that any schemes moving to 'fully developed' had quality impact assessments (QIA), a robust project initiation document (PID) and the finance team could see real savings. It was noted that whilst some schemes in All Age Continuing Care were fully developed, with confidence of a viable scheme, if using packages there may be a struggle for local authorities to agree transforming care. This would result in a high risk of confidence as the scheme is deliverable but there is uncertainty of funding.	**SD**

	The Chair reflected that the meeting report provided a more detailed analysis for detailed delivery, as requested previously by the committee. Risk should diminish as the year progresses and monitoring on a monthly basis would prove helpful. There was commitment to meet the target WRP. **RESOLVED: That the committee note the current waste reduction programme position and the ongoing efforts to drive delivery of the £142.66m target.**	
46 25/26	**<u>Month 2 ICB finance / month 2 provider finance and workforce report</u>** S Downs spoke to a month 2 system and provider finance report that had been circulated to members as a 'flash' report due to the timings data, and provided the following highlights: - There was system deficit of £32.2m including deficit support funding - Variance to plan of £8.5m was largely driven by unidentified savings, being £22.5m behind plan - Provider normalised run rates continued to improve - Month 2 ICB was on plan, providers were off plan - Variants to the plan were largely driven by a shortfall in the WRP programme; if there was an unidentified position in month 12, there would be a balanced plan for month 1, however, this would drop out later in the year - All providers were high risk - The Lancashire Teaching Hospitals deficit was £10m, with East Lancashire Hospitals Trust near that figure - NWAS was reporting on plan - Providers produce a monthly forecast based on what could be seen at that time. As CIPs were identified, variance to plan should be reduced. At month 2, providers were reporting £200m, £91m worse than plan. Forecast from month 1 had improved by £33m forecast. A material gap of £100m based on a level of identified CIP was still being sought - LSCFT had recently reported to the Improvement Assurance Group (IAG) that they had a £14m likely forecast deficit - The scale of ask for system efficiencies was nearly £400m - Provider positions are scrutinised at monthly IAG meetings and the ICB position would be reported to this committee - NHS England would be taking a keen focus around normalised run rates as part of deficit share funding. Comparing month 2 normalised pay versus the average of 2024/25, this was £3.5m lower due to the work undertaken. However, due to the pay award in 2025/26, pay would increase - Although off plan, providers were on an improved trajectory - Raw position from ledger was £12m deficit at month 2, underdelivering QIPP by £12m after 2 months. When the plan was submitted there were £58m unidentified efficiencies. For the first 2 months of 2025/26 there were no unidentified efficiencies. 2 twelfths of this was mitigated. If there were no other risks and mitigations could be phased in, this could be offset. However, this did not allow for pressure in any other areas - Prescribing data for 2025/26 was expected next week. Members were updated from the recent ICB IAG when discussion was held around workforce reduction costs. At that meeting, S Igoe had recommended that this should not be delayed to enable cost savings as soon as possible. It was confirmed that discussion would take place outside of this meeting in relation to the committee receiving the latest financial data. This committee focus was on the	

	delivery of the ICB financial plan. S Downs highlighted that timing did not allow reporting of workforce information at today's meeting. The level of detail in provider reporting would be phased out as this was now being monitored by other forums. **RESOLVED: That the committee note the content of the month 2 system and provider finance report.**	
47 25/26	**<u>2025/26 Contract and contract monitoring update</u>** S Downs spoke to a previously circulated report setting out the current ICB contract position at the end of May 2025, including early sight of financial risks. From a financial perspective, it was felt that the committee priority should be which areas of spend are there material values and any variable spend which could affect the ICB's forecast. It was reported that the areas of spend that pose a risk to the ICB's financial position both in terms of value and potential volatility is nearly £2.5b on acute contracts with nearly £500m on mental health and learning disability. £400m was spent through the Better Care Fund and community contracts, on fixed block contracts; the Kingsgate review looks at value from these contracts, ensuring there is no risk in-year for overspend. All Age Continuing Care was under separate contract and Specialist Commissioning was reported through the Specialised Commissioning Oversight Group. ***Alex Wells joined meeting.*** P Tinson reported that there were around 1000 primary care contracts including general practice, pharmacy, optometry and dental. Very little variation was expected from community pharmacy and optometry contracts in-year. From core general practice, very little variation was expected and variation was around local enhanced service delivery. Variation around dental related to units of dental activity delivery; the trajectory was still a sense where dental practices claim for most of their activity in March, however, the claiming process that drives this. P Tinson reflected his personal agreement with the recommendation that the Primary Care Contracts Sub-Committee oversee these contracts, asking what type of assurance does the Finance and Contracting Committee require. D Corcoran reflected that there was importance for the committee to take a focus on risk and on those contracts where a change could be made in-year. The ICB needs to ensure that the right things are being bought at the right value. If primary care is an area of risk, it was felt that this would need to be included in committee reporting, noting that the risk in this area was low. Going forward, the finance team would present data to the committee on the position of each acute contract in terms of the latest year-to-date position and a straight line forecast. This would provide visibility if these contracts were being over utilised. In order to provide assurance to the ICB Board, mitigation would be discussed and agreed at committee meetings, with strategic focus and oversight. The Chair shared that it would be helpful to have an understanding of the population for clarity, using total population. S Downs suggested sharing a pie chart on a number of contracts allocated, showing how spend was split. It was acknowledged that in terms of volume there were more contracts in primary care, nursing homes, etc, however, acute contracts were at a much higher value. Future reporting would also include a breakdown of uncommitted and committed contracts. A query was raised around out of area placements as this was showing as zero total	

	variable for Lancashire and South Cumbria Foundation Trust. S Downs confirmed that NHS England was undertaking a weekly contract tracker against these, asking to split elective contracts out. There was some variable spend in the ambulance trust which would be highlighted in future reports. **RESOLVED: That the committee note the content of this report.**	
48 25/26	**<u>Verto dashboard</u>** C Harris reported that the Verto programme management system had been implemented into Lancashire and South Cumbria to initially support the significant cost reduction programme efficiently and effectively. Verto now contained project initiation documentation (PID) for all current waste reduction programmes and offers users a live, real time, drill into the status and progress of each. It had previously been agreed that the committee receive progress reporting, escalating by exception, with a quarterly update to the ICB Board. It was planned that an update be provided to the ICB Board at its July meeting. The committee were asked to consider how this should be reported/demonstrated to the ICB Board at its private meeting. A Wells took members through a live demonstration of the dashboard encompassing all change activity in commissioning and contracting. It was highlighted that stakeholders would also be able to access a live view of the current position. The system would provide assurance and access to look at areas of particular interest, providing meaningful reporting and insight to a look behind individual programmes. Members reflected that it was helpful to see the system and were assured that this provided teams with relevant data to make decisions. Discussion was held in relation to suitable reporting to the ICB Board. The Chair summarised that the Verto system provided assurance to this committee, being utilised by teams for oversight and drilling down for required information. The system could also help ensure alignment of committee documents. Concern was raised that a live demonstration would not provide the same level of audit trail as a meeting report. The Chair suggested an assurance report be presented to the ICB Board, looking at where savings were seen and tracking delivery. C Harris acknowledged discussion held and would share the proposed Board report with S Igoe and the ICB Chair prior to submitting for circulation to Board members. Regular Board reporting would be steered from Board member feedback. The Chair thanked C Harris and A Wells for demonstrating the Verto system, providing committee assurance of grip and control. **RESOLVED: The Finance and Contracting Committee note the development of the Verto dashboard.** ***Alex Wells left the meeting.***	
49 25/26	**<u>Joint Capital Resource Use Plan</u>** S Downs introduced the item explaining that ICBs were required to publish the Joint Capital Resource Use Plan before or soon after the start of the financial year and report against it within the annual report. It was highlighted that £6m had been set aside as strategic capital reserves, explaining that, as last year, this would be spent on provider capital throughout the year, managed by the ICB. The ICB would assess spend mid-year. As well as operational capital, money had been confirmed for urgent and	

	emergency care, diagnostics, mental health and A&E performance. Members noted that providers often found it difficult to spend capital, recognising the direct impact on the ICB. A Rose reported that constitutional standards and productivity work was regularly tracked by NHS England. Members queried whether learning from last year around spend had made the ICB look at doing things differently in 2025/26. It was requested that the committee had sight of a detailed analysis of allocations and spend and counselled early release of resource envelopes in order to ensure there were no uncommitted funds at year end. **RESOLVED: That the ICB Finance and Contracting Committee recommended the Joint Capital Resource Use Plan 2025/26 to the ICB Board.**	**SD**
50 25/26	**<u>Green Plan 2025-2030</u>** A Rose reported that all ICBs were required to publish a Green Plan in July 2025. The proposed updated plan had been shared as part of the meeting report, and followed the nationally produced standard. People need to be encouraged to read the plan and consider their role as an individual, leader and organisation. Members discussion included that the plan was clear with strong points around health equity, being a sharp focus around being everyone's business. It was known that the NHS was a major emitter of carbon and A Patel stressed that as health and climate is deeply connected, ie, asthma, etc, this agenda must not be lost within the period of transition that the NHS was currently undergoing. Concern was raised that this may not receive the deserved attention due to more important areas of work that currently needs to be undertaken. It was important to embed across the organisation and follow through implementation. The committee asked how they could support this agenda to ensure its success. To monitor delivery and execution, the committee requested an update report on a 6 monthly basis. **RESOLVED: That the committee approve the draft Green Plan 2025-2030.**	**AR**
51 25/26	**<u>Non-Core Funding Policy</u>** E Collier reported that the Non-Core Funding Policy was introduced in 2023, to ensure there was a process in place for the ICB to make informed decisions about what, if any additional non-core funding should be bid for, if appropriate, and the requirement to make a corporate contribution, enabling the ICB to deploy sufficient resource to meet the stipulations of receiving the funding. The policy had been reviewed and amended to reflect the 10% corporate contribution to be the norm, the sliding scale table had been removed as this was not found to work in practice, and reference was now made to the new ICB provider allocation process introduced in December 2024. P Tinson raised that clarity should be made in the report around the primary care element of the SDF; P Tinson and E Collier would agree amended wording outside of the meeting. **RESOLVED: That the Finance and Contracting Committee endorsed the updated Non-Core Funding Policy, subject to primary care recognition in the policy and the impact thereon.**	

52 25/26	**Committee escalation and assurance report to the Board** Members noted the items which would be included on the committee escalation and assurance report to the Board. **RESOLVED: That the Finance and Contracting Committee noted that a report will be taken to ICB Board.**	
53 25/26	**Items referred to other committees** There were no items referred to other committees.	
54 25/26	**Any other business** No other business was raised.	
55 25/26	**Items for the Risk Register** There were no new items.	
56 25/26	**Reflections from the meeting** The Chair thanked members for their contributions and time at this meeting. Members felt that the quality and focus of papers had improved, providing more grip and control; teams were thanked for taking on feedback. It was acknowledged that timing of papers would be looked at.	
57 25/26	**Date, time and venue of next meeting** 15 July 2025, 10 am – 12 noon by MS Teams.	